

News from Ed Markey

United States Congress

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MARKEY VOWS FIGHT OVER SBC MERGER WITH SNET

Justice Department Must Prevent "Humpty Dumpty" Being Put Back Together

WASHINGTON, DC - U.S. Representative Edward J. Markey, (D-MA), Ranking Democrat on the House Telecommunications, Trade, and Consumer Protection Subcommittee released the following statement regarding the announced intention by SBC Communications to purchase Southern New England Telephone (SNET):

"Through its recent lawsuit attacking key provisions of the Telecommunications Act of 1996, SBC Communications broke its deal with the U.S. Congress and displayed disdain for the intent of lawmakers to provide consumers in SBC territory with increased choices and lower prices in local phone service. Today, SBC brazenly announced its desire to purchase SNET for over \$4 Billion.

"I oppose this merger. I believe that the Department of Justice should vigorously pursue every legal means at its disposal to stop this merger. Just 13 years after the breakup of AT&T we must act decisively now to prevent Humpty Dumpty from being put back together.

"I believe further that had SBC indicated last year its preference to litigate rather than compete in the marketplace, its previous merger with Pacific Telesis also would have been vigorously contested and probably denied. SBC has acted in bad faith and has reneged on promises made during consideration of the Telecommunications Act.

"SBC stands as one of the last, and the among the largest, monopolies left in our telecommunications marketplace. Monopolies stultify innovation, fail to lower prices, do not create more jobs, and do not offer consumers sufficient quality choices. That is why I detest monopolies.

"It was the intent of Congress in the Telecommunications Act that the local phone monopoly cease to exist and that the benefits of robust marketplace competition be brought to consumers in SBC's local telephone market in exchange for allowing SBC and the other Bell companies into the long distance marketplace. It is clear that SBC has no intention of abiding by the deal struck with Congress and the nation's consumers and that the government must take other action to ensure that SBC's monopoly is broken down once and for all."

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